

**Central Maine Power Company  
Price Change Mechanism  
Examples - July 2002 Price Change  
(Dollars in Millions)**

	<u>Example 1</u>	<u>Example 2</u>	<u>Example 3</u>	<u>Example 4</u>
Inflation	2.00%	2.00%	2.00%	2.00%
Productivity Offset	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Inflation less Offset	0.00%	0.00%	0.00%	0.00%
 <u>Mandated Costs - Items over \$150,000</u>				
Item 1	\$ 175,000	\$ 3,500,000	\$ 175,000	\$ 200,000
Item 2	350,000	-	2,250,000	150,000
Item 3	<u>225,000</u>	<u>-</u>	<u>750,000</u>	<u>500,000</u>
Total Mandated Costs	750,000	3,500,000	3,175,000	850,000
 Less: Net Gain or Loss from Sales of Operating Property - see below				
	150,000	1,000,000	(200,000)	1,200,000
Net Mandated Costs (not less than zero)	600,000	2,500,000	3,375,000	-
Aggregate Threshold	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Amount in Excess of Aggregate Threshold	-	-	375,000	-
 <u>Sales of Operating Property - Items over \$150,000</u>				
Item 1 - Gain	500,000	1,000,000	-	1,500,000
Item 2 - Loss	<u>(350,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>(300,000)</u>
Net Gain (Loss)	150,000	1,000,000	(200,000)	1,200,000
Less Gain used to offset Mandated Costs	<u>150,000</u>	<u>1,000,000</u>	<u>(200,000)</u>	<u>850,000</u>
Remaining Net Gain or Loss to Rates	-	-	-	(350,000)
 <u>Earnings Sharing</u>				
	-	-	-	-
 <u>Service Quality Penalties</u>				
	-	-	-	-
 Total Dollar Amount to Include in Rates				
	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>(350,000)</u>
 Prior Year Distribution Revenues				
	240,000,000	240,000,000	240,000,000	240,000,000
 Percentage Change				
	0.00%	0.00%	0.16%	-0.15%
 Expiring Amortizations Percentage Change				
	<u>-2.90%</u>	<u>-2.90%</u>	<u>-2.90%</u>	<u>-2.90%</u>
 Adjustment to Each Distribution Rate Element				
	<u>-2.90%</u>	<u>-2.90%</u>	<u>-2.74%</u>	<u>-3.04%</u>

C:\TEMP\Stipulat.xls]Example